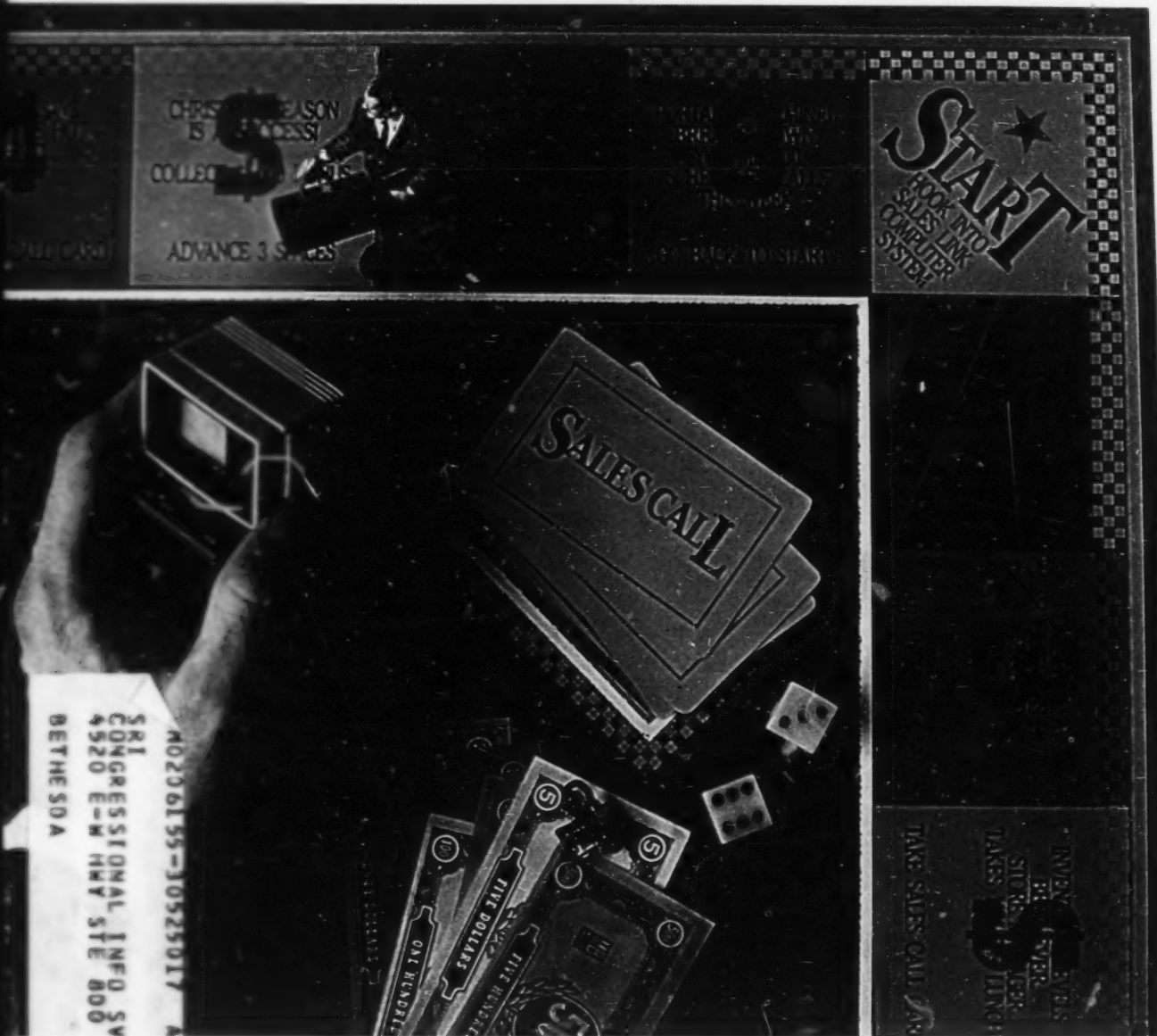


S&MM

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SALES & MARKETING MANAGEMENT

MILTON BRADLEY MAKES SELLING A COMPUTER GAME Page 46.



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*S&MM cover photo by Diana Kassir
Board design by Altemus*

Buckeye barometer

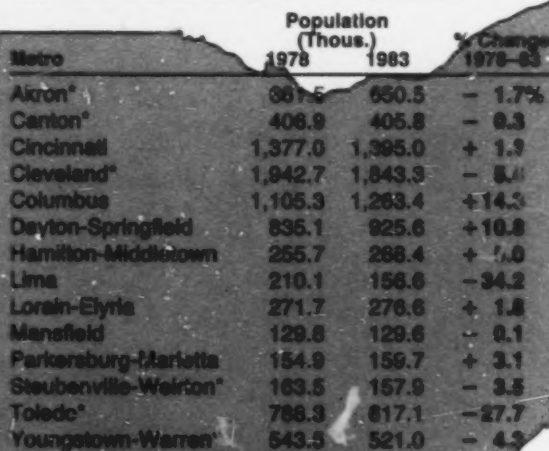
In politics, it is said that "As Maine goes, so goes the nation." But marketers looking for a national barometer had best look farther west to Ohio. A better indicator of the present state of the nation would be hard to find.

What makes the Buckeye State the perfect microcosm of America? Much like the U.S., the state is experiencing population losses in the traditional industrial centers like Cleveland, Akron, and Youngstown, while metros in the southern and central parts of the state emerge as the new leaders. In fact, of the Big Three Ohio metros—Cleveland, Columbus, and Cincinnati—Columbus has become the front-runner in growth, posting a 14.3% increase as opposed to a nationwide average of only 7.2%.

The new service-based economy is only part of the reason for Columbus's success in attracting new business to the area. Naturally, being the state's capital gave Columbus a firm base on which to build a modern information-oriented economy, evidenced by the list of the city's largest employers that shows government and education in the top five slots. Rounding out the remaining 10, however, are department stores, telecommunications, insurance, and utilities; with aircraft manufacturing the sole heavy-industry listing.

As seen by the Surveys:

Ohio's metros: A mirror of America



Metro	Population (Thous.) 1978	1983	% Change 1978-83
Akron*	367.5	350.5	- 1.7%
Canton*	408.9	405.8	- 0.3
Cincinnati	1,377.0	1,395.0	+ 1.3
Cleveland*	1,942.7	1,843.3	- 5.1
Columbus	1,105.3	1,263.4	+14.3
Dayton-Springfield	835.1	925.6	+10.8
Hamilton-Middletown	255.7	268.4	+ 5.0
Lima	210.1	156.6	-34.2
Lorain-Elyria	271.7	276.6	+ 1.8
Mansfield	129.8	129.6	- 0.1
Parkersburg-Marletta	154.9	159.7	+ 3.1
Steubenville-Weirton*	163.5	157.9	- 3.5
Toledo*	788.3	617.1	-27.7
Youngstown-Warren*	543.5	521.0	- 4.2

* Denotes cities in the northern industrial group.
Source: Sales & Marketing Management's 1979 and
1984 Surveys of Buying Power.
Sales & Marketing Management.

On the other side of the coin, Ohio's northern industrial cities—Cleveland, Akron, Steubenville, Youngstown, and Canton—have all fallen victim to the shift away from an industrial economy, posting five-year population losses ranging from 0.3% in Canton to Cleveland's 5.4% drop. Naturally, everyone is talking comeback, but recovery for Cleveland should take at least as long as it's going to take the Browns to get into the Superbowl.

Of course, Columbus's claim that it is now Ohio's largest city is simply a case of how one reads the numbers. Due to the urban-to-suburban shift that is taking place in virtually every American city, population losses within the city limits are a fairly common occurrence. To combat this, Columbus adopted a policy of suburban annexation, increasing the size of the city proper by 140 square miles since 1950. Consequently, the city population now totals just over 570,000 as opposed to Cleveland's 540,000.

Digging deeper

As for the numbers themselves, five-year (1978-83) population figures for Ohio's 14 metro areas show 8 metros with losses and 6 with gains. Of the eight losers, six are in the northern industrial belt. Some of these figures, however, are skewed by definitional changes in metros. Lima's 34.2% drop in metro area population includes the recent loss of two counties containing a total of 64,000 people. Toledo lost Monroe County and its 134,000 residents to the Detroit metro area. Hence, Toledo's seemingly outrageous losses of 27.7%.

Meanwhile, the only two metros to post double-digit gains between 1978 and 1983 were on the receiving end of this metro-mandering. Dayton's impressive 10.8% growth is mostly due to its absorbing the former Springfield metro area, adding nearly 150,000 people from Clark County alone. Columbus, too, has benefitted from the recent addition of two counties to the tune of more than 155,000 residents.

Obviously, it makes good business sense to be a bit wary of trends. Sometimes they can overstate the problem. A little in-depth investigation reveals the subtle differences beneath the glaring generalities. So while it's true that the white collar and hi-tech companies seem to prefer the landlocked atmosphere of a Columbus or a Dayton, places like Cincinnati and Cleveland may not really warrant the stigma of "former greatness" that they contend with as they try to lift themselves out of the nineteenth century.

By Richard Kern
Editorial Director, S&MM Surveys

For saleswomen, wholesale pays

Female salespeople who work full-time in manufacturing industries are increasing their income one-third faster than their male peers—42% vs. 31% in the 1979–82 period (the latest year for which data are available). As a result, they narrowed the traditional earnings gap slightly, from 43% to 39%, new Bureau of Labor Statistics data show. However, females enjoy much greater parity in the wholesale trade, where their median weekly earnings in 1982 were only 28% below male earnings. Which is probably why women show a preference for wholesale selling, increasing their employment there 60% in the three-year period vs. only 14% in manufacturing.

Gaining ground

		Men % Change		Women % Change
Sales Representatives	1982	1979-82	1982	1979-82
Manufacturing				
Employed (000)	278	-10.0%	59	+13.5%
Median weekly earnings	\$512	+30.6	\$315	+41.9
Wholesale trade				
Employed (000)	691	+9.0	104	+60.0
Median weekly earnings	\$426	+31.1	\$308	+28.3

Source: Bureau of Labor Statistics, *Monthly Labor Review*.
*Sales & Marketing Management.

agements ignore the problem often because they don't know what to do about it.

The survey was conducted by Porter Henry & Co., a New York City sales consultant company, with help from the Sales Executives Club of New York. The respondents, executives in widely ranging industries, tended to admit that they knew little about the specifics of why salespeople plateau but confirmed that such people exist in virtually every sales force. The findings: Some 28% of the executives put the figure at up to 10% of the sales force, 54% at between 10% and 25%, and 10% at between 30% and 60%. And 2% more replied that they considered three out of every four of their salespeople to have plateaued; 4% replied they had no such salespeople working for them, and 2% did not hazard a guess at all.

The respondents also tended to associate the plateaued man or woman with, not surprisingly, age—63% said that the burned-out people they have working for them are 40 years of age or older. Still, the problem exists but to a lesser extent among salespeople of all ages: 24% of the executives testified that they have seen it in people 20 to 30 years of age, 26% in individuals between 30 and 40 years of age.

Porter Henry & Co. asked all those who completed its questionnaire to say what they think is behind the plateau problem. Following are some of the reasons given, in order of frequency cited:

- The economic needs of the salesperson are already being met. One of the executives said of these people that they were "simply making too much money. Now they're

complacent."

- They lack a "clear career path." National sales managers who participated tended to place most blame for the problem on salespeople's perceiving the potential limits of their jobs. Others believe that such workers had become over-qualified for their positions.

The executives also listed boredom or a burned-out feeling held by some salespeople. Some admitted that the reason could be excessively long selling cycles and that they do not challenge their salespeople.

Another solution Porter Henry & Co. suggest is to change the compensation program; however, many respondents suggested that for them that would create more problems than it would solve. First-line managers frequently suggested that the solution lays in giving the salespeople new assignments or "leadership" roles. Putting such individuals on "probation" was considered probably the least-effective approach.

Common sense suggests that a company should face up to the situation and talk about ways to correct it. However, the survey notes, "over and over again, first-line sales managers as well as vice presidents of sales said that their companies refuse to admit that a problem of this magnitude exists."

SALES TRAINING

Sales are made at the counter

In its print and TV advertising, Tandy Corp. is telling the world that it is "clearly superior" in product, service, and support.

Although its computers rate high with both critics and consumers, the company felt one area that needed strengthening was sales. Often computer salespeople are as confused as consumers themselves.

Thus, while the main purpose of the company's two-day seminars

MORE DOLLARS TO DO THE JOB

An exclusive S&MM survey reveals that sales and marketing executives spend readily on meetings as the sales effort expands.

For the second year in a row, the sales meeting is enjoying a boom. Last year saw a reversal in the cutbacks of the late 1970s and early 1980s, and this year the trend is continuing. In a comprehensive S&MM survey, salespeople in consumer, industrial, and service companies reported that they're holding more meetings, spending more money on them, and putting less effort into finding ways to cut costs. In particular, for the first time in many years, fewer than half the companies queried said they had any interest in finding ways to keep meeting expenses down.

The questionnaire was mailed in mid-August to 1,500 S&MM readers, asking for information on such topics as meeting frequency, content, cost, and site. Respondents were also asked to rank factors that influenced site selection, describe the composition of meeting agendas, list cost-cutting measures, and suggest ways to improve sales meetings.

As of the September cutoff date, 318 replies had been received. The vast majority of the respondents (88%) reported that they have held or intend to hold at least one sales meeting in 1984. Only 16 companies cut back on meeting frequency from last year, for reasons that ranged from loss of revenue to a decrease in the size of the sales force.

Some companies that cut back in 1984 found other ways to communicate with their sales teams. That's the case exemplified by Wheaton Manor, Millville, NJ, a manufacturer and distributor of specialty

candy and food products. When the company decided not to have a national meeting this year, general sales manager Sam Hawkins went on the road to hold mini-meetings with his rep organizations. The individual meetings have gone a long way toward covering the lack of a national meeting, says Hawkins, but they can't do everything. The company has scheduled a national meeting in 1985, because, he says, "sales meetings are a multiplication process. We have found that they're imperative to identify new products, procedures, policies, and sales forecasts and to establish consistent rapport with the rep organization and its salespeople."

Meetings on the rise

This same sentiment is echoed by companies that have increased their meeting schedule for 1984. A marketer at a Dallas concern has stepped up his schedule of national sales meetings from one to two a year because "high motivation and esprit de corps demanded more company-wide meetings."

Brad McKinley, residential sales manager for Wood Specialty Products in Lacey, WA, explains that his company has just started to hold biannual regional meetings in addition to its annual national meeting. Why? "We needed a more effective means of communicating with our agents. We get a better idea of what's going on in the marketplace from our field reps that way. We also find out more about what our competitive position is and get a chance to present new marketing strategies."

Other reasons for holding more meetings include increased sales force size, new-product introductions, an increased emphasis on training, and presentation of new marketing strategy. It's not just companies that have their own sales forces that are increasing meeting frequency either. Of the respondents to the survey, 14% use reps exclusively, while an additional 30% have a combined force of reps and company salespeople. A number of the companies represented in the survey (54%) use distributors, and of those, 70% hold separate meetings for the distributors.

Further indications that sales meetings are enjoying a good year come in the areas of planning, budget, and site. Although meeting budgets ranged from less than \$10,000 to more than \$100,000, the number of respondents that spend upwards of \$50,000 has jumped six percentage points from the numbers reported in last year's survey (Table A-1).

More startling is the shift away from company sites (a cost-cutting measure) to resort hotels in 1984. Last year, fully 72% of companies replying to the survey reported that they held some of their meetings at company locations; this year, the figure dropped to 63%. At the same time, the number of respondents who meet at resort hotels has increased from 40% to 54%. This confirms that companies are easing their efforts to keep meeting costs down. However, conference centers, which enjoyed an increase in popularity last year, have remained stable this year, while

A. Survey results: Planning the meeting

1. What is your annual sales meeting budget (excluding travel)?

	1984	1983
Under \$10,000	34%	40%
\$10,000-\$49,000	42	42
\$50,000-\$99,000	13	10
\$100,000 or more	11	8

Base: 280 replies.

2. How much planning time do you allow?

	National Meetings (Base: 168)	Regional Meetings (Base: 135)
1-4 weeks	4%	33%
5-8 weeks	18	27
9-12 weeks	30	20
13-16 weeks	18	7
17-26 weeks	19	4
27-40 weeks	3	1
41-52 weeks	6	8
More than 52 weeks	2	—

3. Who chooses the meeting site and sets the agenda?

	Meeting Site	Agenda
Vice president, sales/marketing	47%	41%
General sales manager/director of sales	35	23
President	23	27
Marketing director	18	10
Executive vice president	6	10

Base: 281 replies; total is greater than 100% because of multiple answers.



4. What is on the agenda?

	Always	Sometimes	Never
Sales progress reports	73%	25%	2%
Sales force feedback	71	25	4
Sales training	59	37	4
Product introduction	57	42	1
Product promotions	51	47	2
Information on competitors' efforts	49	46	5
Recognition and awards for salespeople	40	48	12
Motivational talks	39	50	11
Announcement of incentive programs	25	58	17

Base: 281 replies.

airport hotels have picked up slightly (to 27% vs. 21% in 1983).

Perhaps in response to the shift in meeting location, respondents are also more demanding in terms of their requirements for a noncompany meeting site. While quality of service and food were rated "very important" by 67% and 56% of those surveyed last year, this year

even more emphasis is given those two criteria: 72% say quality of service is "very important," while 60% give the same rating to quality of food. Less important to 1984's meeting goers are convenience of location for attendees and proximity to the airport. As in the past, the site factors rated least important by executives are health and sports fa-

cilities, security, and entertainment (Table B-2).

Whatever the site and budget, respondents report that a great deal of preparation goes into planning their meetings. As expected, national meetings take more time to set up than do regionals, with a mean of 9 to 12 weeks and a significant number of companies devoting three to six months to planning (Table A-2). Regional meetings, because they're shorter and less elaborate and involve fewer attendees, are organized more quickly—a third of them in less than a month.

Shorter planning time doesn't mean regional meetings are taken less seriously, though. In many cases, they get just as much attention as the national. Paul Korth, national sales manager at General Web Dynamics, a manufacturer of industrial process controls in Rockford, IL, explains the vital role filled by his regional meetings this way: "We used to hold long meetings (five days) that combined sales training, performance review, new product intros, and technical seminars. At the end of the five-day sessions, which were all business, everybody was exhausted, and we were worried about retention. Ours is a highly technical field, so we decided to shorten the national meeting to three days and set up

regional meetings devoted exclusively to technical seminars. It's worked out much better this way."

As in past years, sign-offs on meeting site selection and agenda planning come from the vice president, sales/marketing, general sales manager/director of sales, company president, and marketing director. Of these, the vice president, sales/marketing, is reported to have the most to say about both meeting site (47%) and agenda (41%), as reflected in Table A-3.

More than half the meeting agendas reported by the questionnaire respondents include such traditional items as sales progress reports, feedback, training seminars, and product introductions and promotions (Table A-4). Slightly less fre-

quent program elements include rundowns on the competition, awards ceremonies, and motivational sessions. Incentive program announcements are the agenda items mentioned least often.

While fewer than half those who replied to the survey (122) expressed any dissatisfaction with their companies' sales meetings, those who did concentrated their suggestions in two areas: participation and planning. Fully one-fifth would like to see more participation in the meeting by attendees and better planning before the event (Table C-2). Speakers received general approval, although 11% of respondents indicated that they think there's room for improvement in that area, too.

Other changes respondents would like to see include more time for relaxation, more training sessions and use of audiovisual materials, and a more balanced format. Very few had any quarrel with site facilities or length of the meetings.

This is the first year in a long while that fewer than half those surveyed (48%) said they tried to cut meeting costs, but that still leaves a substantial percentage who are concerned with keeping expenses down. When we asked what steps they had taken to save on

meeting costs, answers ranged from shopping for bargain airfares (24%) to using more teleconferences (2%) (Table C-3). In fact, the marketing manager at a California telecommunications company reported that he makes his "selection of cities based on the cheapest airfare."

Other solutions included shopping for better site rates; holding fewer or shorter meetings; staying at less luxurious hotels and eating less expensive meals; holding the meeting closer to home to cut down on travel costs; cutting the number of attendees; tying the meeting in with a national trade show; cutting down on frills, such as banquets and gifts for spouses; and spending less on speakers. A few respondents mentioned that they had started to charge a registration fee or ask reps to pay their own travel expenses.

Unexpected dividends

Some companies have reduced their costs by holding several small regional meetings rather than one large national get-together. Others have found unexpectedly fortuitous cost-cutting measures. Richard Fink, for example, marketing manager at WNI Service Systems, a trucking concern in Wilsonville, OR, explains how his selection of a less expensive site yielded unanticipated dividends:

"We decided to be more selective about what we paid for a site, so we stayed at a bed-and-breakfast place in San Francisco rather than a hotel. It was less expensive than a hotel (\$60 a night vs. \$100) and was a lot of fun, too. The place we stayed in was a 115-year-old house that had been modernized. The atmosphere was wonderful and personal, and the place seemed more like home than a hotel would have been. We also got a Continental breakfast every morning, although we had to go elsewhere for our other meals."

Fink hastens to point out that his solution will only work for an organization with a small sales force (his totals 12) or for a regional meeting. Also, you'll have to find someplace else to hold your business ses-

B. Meeting sites

1. Where are meetings held?

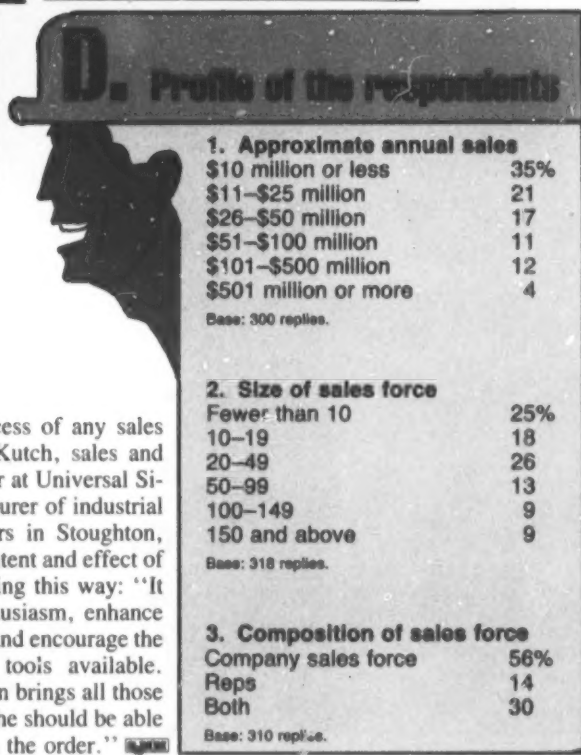
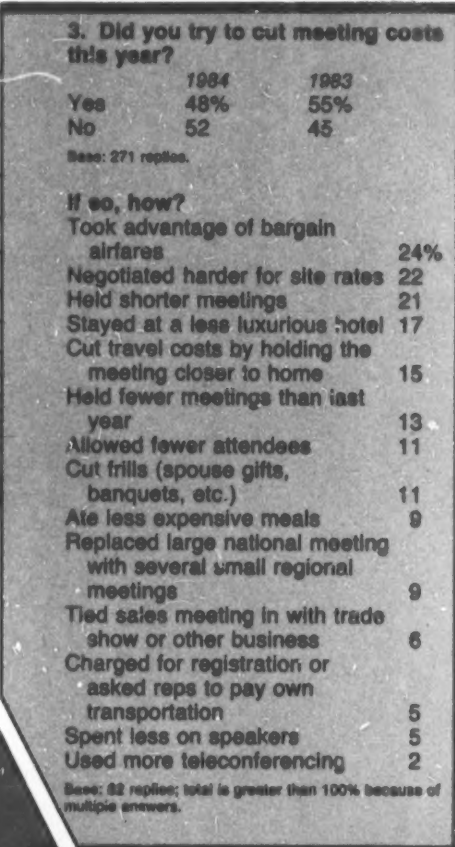
	1984	1983
Hotel	68%	82%
Company site	63	72
Resort hotel	54	40
Airport hotel	27	21
Conference center	25	25
Budget hotel	2	3

Base: 291 replies; total is greater than 100% because of multiple answers.

2. What is important in a noncompany meeting site?

	Very important	Somewhat important	Not important
Quality of service	72%	25%	3%
Quality of food	60	36	4
Meeting equipment	48	41	11
Rates	47	50	3
Convenience of location for attendees	41	47	12
On-site meeting staff	38	43	19
Banquet facilities	35	41	24
Ease of check-in, check-out	28	53	19
Room size, furnishings	26	62	12
Convenience to airport	26	50	24
Health and sport facilities	16	46	37
Security	14	51	35
Entertainment	8	46	46

Base: 291 replies.



sions—in his case, a sales office a few miles away. All in all, however, he says the meeting was “very well received.”

Even companies that are cutting costs are not eliminating meetings entirely. Whether they're held on a small, informal, weekly basis or on a grand national scale, sales meetings are essential “to rekindle the fires,” as the marketing manager of a southern chemical manufacturer puts it. More than that, they're es-

sential to the success of any sales effort. Raymond Kutch, sales and marketing manager at Universal Silencer, a manufacturer of industrial filters and silencers in Stoughton, WI, sums up the intent and effect of a good sales meeting this way: “It should create enthusiasm, enhance communications, and encourage the use of all sales tools available. When a salesperson brings all those resources to bear, he should be able to walk away with the order.” 